

**GOVERNMENT OF TELANGANA
ABSTRACT**

MA&UD Department – GHMC – SRDP - Construction of Multi Level Flyovers and Junctions at various (20 projects) important places in GHMC Area under Strategic Road Development Programme in Phase.I – Administrative Sanction - Accorded.

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MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (F2) DEPARTMENT

G.O.MS.No. 94

Dated. 24.07.2015

Read the following:-

1. G.O.Rt.No.208, MA & UD (F2) Dept., Dt:30.05.2015.
2. G.O. Rt. No. 232, MA & UD (F2) Dept., dt: 20.6.2015.
3. Commissioner & Special Officer, Greater Hyderabad Municipal Corporation, Hyderabad, Lr.No.GHMC/ENC/SE(P-WZ)/PD-WZ-1/15-16,dated. 06.07.2015.
4. Minutes of the High Level Committee Meeting Held on 08.07.2015 chaired by Chief Secretary to Government of Telangana.

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ORDER:

In the G.O. 1st read above, Government have accorded in principle approval for construction of flyovers/junctions for the proposed 20 projects under DBMT- Annuity mode of procurement under PPP subject to approval of the financial and operational model of the project subsequently by the Government. In the G.O. 2nd read above, High Level Committee (HLC) have been constituted to Co-ordinate the project works.

2. The Commissioner & Special Officer, Greater Hyderabad Municipal Corporation, Hyderabad in the reference 3rd read above, have requested to accord approval on issues of Time Lines for Tender, Approval of RFQ, Period of construction, Concession period, Bidding parameters – Mode of Annual payment, etc., for taking up the construction of Multi Level Flyovers and Junctions at various (20 projects) important places in GHMC Area under Strategic Road Development Programme in Phase-I and to accord administrative sanction for the said project to a tune of Rs.2,631/- Crores.

3. The High Level Committee in its meeting held on 8.7.2015 have examined the proposal in detail and suggested to accept the proposal of GHMC and further made the following suggestions on the following issues, subject to obtaining orders from the competent authority in circulation on Financial Implication and Procedural matters.

- i) **Tenders** - Tenders may be called for the proposed works and agreements may be made with the selected Bidder in respect of the works, where 100% right of way is available and to enter into supplementary agreement in respect of others as and when right of way is fully available.
- ii) **Bidding Parameter** – Semi Annuity Installment.
- iii) **Time Lines for Tenders** – Time may be extended for the receipt of the bids in case the prospective bidders request for more time during Pre Bid Conference, if there is justification and real need.
- iv) **Work-wise weightage** - The list of works and percentage of each work may be included to the total cost/ semi-annual installment to avoid front loading of some works by the bidders and also to regulate payment of semi-annual installment in proportion to the completed works of the package, in case of any works not being grounded/executed/completed, for any unforeseen circumstances.

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- v) **Qualification Criteria** - G.O. Ms. No. 94, I & CAD (PW-COD) Department dated: 1.7.2003 and G.O. Ms. No. 504, MA & UD (A1) Department Dated: 12.7.2007 may be followed for fixing the criteria for similar nature of work, physical quantities, bid capacity but except for criteria of liquid assets.
- vi) **Discount factor** - Current Base Rate of SBI which is 9.7% will be adopted wherever relevant.
- vii) **Liquid Assets** - Liquid Assets Criteria will be adopted as proposed, to insist on debt-equity ratio of 60:40 and accordingly 40% of NPV of semi annual installment quoted at a discount rate of 9.7%.
- viii) **Joint Venture** - To allow Joint Venture with maximum of three partners duly insisting for minimum 26% equity for each of the partner all the time till completion. There shall be lead partner, who will being maximum equity.
- ix) **Taxes** - VAT, Labour Cess, NAC and Seigniorage charges should be added in estimate contract value. Suitable clause shall be incorporated specifying that agency has to pay all the taxes and Seigniorage charges to the respective Department during the construction period itself.
- x) **O&M** - Not to include O&M in the scope of work for the contract as the package consists of mainly structures requiring minimum maintenance, which may unnecessary increase the costs.
- xi) **IBM** - Internal bench mark should not be exhibited in bid document.
- xii) **Defect Liability** - Defect liability period will be five years keeping in view of the importance of structure. A suitable clause to that effect may be provided in the bid document.
- xiii) **PMC** - Project Management Consultancy services may be procured by inviting tenders from the reputed agencies.
- xiv) **Guarantee** - State Government will stand guarantee for the project annuity payments.

4 Government after detail examination of the above proposal keeping in view the suggestions of High Level Committee, have accepted the suggestions of the High Level Committee at para-3 above to take-up SRDP for constructions of 20 Multi-Level Flyovers and Junctions in different area of GHMC mentioned in G.O.1st read above under Phase-I and also issue the following orders:

- (i) The project shall be taken up with EPC tenders with deferred annuity payments.
- (ii) The entire tender will be completed in 30 days.
- (iii) The project shall be completed in 2.5 years.
- (iv) The concession period of the project shall be 10 years after completion of the project/module and payment will be 20 equal semi-annual installment.
- (v) The semi- annuity payments shall be funded by the internal resources of GHMC.

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- (vi) Government will stand guarantee for the semi-annuity payments. In case of any default by GHMC at a later date, all payments / budgetary support grants etc., payable / eligible to GHMC shall be adjusted against any payment made by Government.
- (vii) GHMC is authorized to appoint a suitable consultant to deal with this project at the appropriate time.

5. The Commissioner & Special Officer, Greater Hyderabad Municipal Corporation, Hyderabad shall take further necessary action accordingly.

6. This order issues with the concurrence of the Finance Department vide their U.O. No. 274/EBS.VIII/2015, Dt: 21.07.2015.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

**M.G.GOPAL
PRINCIPAL SECRETARY TO GOVERNMENT**

To
The Commissioner & Special Officer,
Greater Hyderabad Municipal Corporation, Hyderabad,

Copy to:

The Finance (PMU) Department.
The P.S. to Principal Secretary to Chief Minister.
The P.S. to Chief Secretary to Government.
The P.S. to Special Chief Secretary (Finance), Finance Department.
The P.S. to Principal Secretary to Govt., MA & UD Department.
The Metropolitan Commissioner,
Hyderabad Metropolitan Development Authority, Hyderabad.
Sc/Sf.

//FORWARDED::BY ORDER//

SECTION OFFICER